

LAND BANK TWIN CITIES, INC.
COMMUNITY LENDING BORROWER AGREEMENT

THIS COMMUNITY LENDING BORROWER AGREEMENT (this “Agreement”) dated as of _____, 20____ (“Effective Date”), by and between **LAND BANK TWIN CITIES, INC.**, a Minnesota nonprofit corporation (“Land Bank”), whose address is 2515 Wabash Avenue, Suite 150, Saint Paul, Minnesota 55114, and _____, a Minnesota _____ (“Borrower”), whose address is _____.

RECITALS

- A. Land Bank offers Borrowers the opportunity to participate in neighborhood stabilization and revitalization through the acquisition, renovation and/or construction of certain foreclosed, abandoned, vacant, or distressed properties (each, a “Property” and collectively, the “Properties”) located in the greater, seven-county, Minneapolis-St. Paul metropolitan area (the “Target Area”);
- B. Land Bank operates programs providing certain Borrowers with financing for the acquisition, rehabilitation and/or construction of Properties (the “Land Bank Programs”);
- C. To participate in Land Bank Programs, Land Bank requires that Borrower comply with minimum community construction and resale standards as set forth in the exhibits attached as:
- **EXHIBIT A: Construction Standards Worksheet;**
 - **EXHIBIT B: Home Buyer Income Qualification Worksheet; and**
 - **EXHIBIT C: Community Employment Report**
- (collectively the “Borrower Agreement”) in the construction, renovation, and resale of the applicable Property by Borrower to a third-party purchaser who intends to occupy the home as the purchaser’s primary residence with a yearly income that does not exceed 115% of Median Area Income for a 3+ person household (“Home Buyer”). The income limits are governed by Minnesota Statutes § 462A.33, subdivision 5, and updated annually at www.mnhousing.gov. The 2023 income limitation for a family of four is **\$143,635**;
- D. As a condition of the Land Bank entering into any Land Bank Program agreement with Borrower, Borrower has agreed to accept and comply with the Community Lending Borrower Agreement; and
- E. Land Bank is offering the right to participate in Land Bank Programs to Borrower and Borrower is desirous of participation in Land Bank Programs.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Agreement, the parties agree as follows:

1. **Community Lending Program.** Land Bank may provide Borrower the opportunity to finance the acquisition, renovation and/or construction of Properties through the Community Lending Program. Borrower agrees to participate in Community Lending Program in accordance with this Agreement and the following terms and conditions
 - a. Borrower must receive additional credit approvals from Land Bank to participate in Community Lending Program;
 - b. Borrower executed **EXHIBIT A: Construction Standards** wherein Borrower certifies to Land Bank they will comply with the applicable construction/rehabilitation criteria;
 - c. Borrower pays all required costs and fees as outlined in an applicable loan agreement. Additional fees may apply; and
 - d. Borrower agrees that it, and not Land Bank, is responsible for the Property selected by Borrower. Borrower hereby releases Land Bank and agrees to indemnify and fully protect, defend, and hold Land Bank, its officers, directors, employees, shareholders, servicers, representatives, agents, attorneys, tenants, brokers, successors or assigns harmless from and against any and all claims, costs, liens, loss, damages, attorney's fees and expenses of every kind and nature that may be sustained by or made against Borrower, its officers, directors, employees, shareholders, representatives, agents, attorneys, tenants, brokers, successors or assigns, resulting from or arising out of or in connection with the applicable Property, including without limitation, the payment of all construction/renovation costs with respect to, the determination of the sale price of and Borrower's ability or inability to resell any Property to the Home Buyer.

2. **Community Lending Program Reporting.** Borrower agrees to comply with the following requirements:
 - a. Within ninety (90) days after the date of closing on the purchase of the applicable Property by Borrower (the "Closing Date"), Borrower will commence the construction or renovation of the applicable Property in accordance with the minimum standards set forth on the exhibit attached as **EXHIBIT A: Construction Standards**;
 - b. Borrower agrees to sell the Property to an eligible Home Buyer in accordance with the standards attached as **EXHIBIT B: Home Buyer Income Qualification**. Borrower will not and does not intend to lease the Property and will not enter into a lease, option or other disposition (other than a sale in accordance with this Agreement) of the Property;

- c. Prior to listing a Property for sale, Borrower will give Land Bank reasonable notice and upon prior notice, and during reasonable times, allow the Land Bank, or its agents or governmental partners, to enter upon the Property to inspect the Property for the purposes of determining that Borrower has complied with the Community Lending Borrower Agreement;
- d. Prior to closing on the sale from Borrower to Home Buyer, Borrower will submit the following documents to Land Bank:
 - i. Borrower executed **EXHIBIT A: Construction Standards Worksheet** wherein Borrower certifies to Land Bank they have complied with the applicable construction/rehabilitation criteria;
 - ii. Home Buyer executed **EXHIBIT B: Home Buyer Income Qualification Worksheet** and supporting documents;
 - iii. Borrower executed **EXHIBIT C: Community Employment Report** wherein Borrower certifies to compliance with the requirements contained therein the number of hours worked or contracted with and/or services;
 - iv. Evidence that construction/renovation meets all applicable codes (certificate of occupancy, copies of closed out permits, TISH or POS);
 - v. Evidence each first time Home Buyer attended a certified Home Stretch Homebuyer education class;
 - vi. Interior and exterior “before” and “after” photographs of the Property;
 - vii. Copy of Borrower’s and Home Buyer’s executed purchase agreement for the Property;
 - viii. Copy of Good Faith Estimate from Buyer’s Lender;
 - ix. Copy of fully executed Settlement Statement;
 - x. Any other documentation or certification, as may be required by Land Bank.

All deliveries of documentation made pursuant to this Agreement shall be made by e-mail sent to reporting@landbanktwincities.org or to the Community Lending Program Manager.

3. **Marketing.** Any marketing materials which use any designation of the Property as Land Bank Twin Cities, Inc., a “Land Bank”, requires prior written approval of the Land Bank.
4. **Survival of this Agreement; Enforcement.** In further consideration of the transaction and of Borrower’s participation in the Land Bank Programs, it is intended that the terms of this Agreement shall survive the delivery of a deed to Borrower, and Land Bank will have the right to seek and recover damages from Borrower for Borrower's nonperformance of its obligations hereunder or to seek specific performance of this Agreement; provided, any action for specific performance must be commenced within two (2) years after the Closing Date.
5. **Jurisdiction and Venue.** This Agreement shall be governed and construed in accordance with the laws of the State of Minnesota. Any dispute arising under this Agreement shall be settled by litigation and Borrower irrevocably consents to the jurisdiction and venue of the federal or state courts located in Hennepin County, Minnesota.
6. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.
7. **Entire Agreement.** This Agreement and any exhibits hereto contain the entire agreement of the parties regarding the subject matter of this Agreement, and there are no other promises or conditions in any other agreement, whether oral or written. This Agreement may only be amended by a written instrument signed by both parties. Notwithstanding the foregoing, Land Bank may modify Land Bank Programs and forms attached to this Agreement from time to time, and such modified Land Bank Programs and forms will become a part of this Agreement.
8. **Severability.** If any provision of this Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Agreement is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.
9. **Removal.** Land Bank reserves the right to remove or suspend Borrower from Land Bank Programs by written notice effective immediately if Land Bank determines, in its sole discretion, that Borrower has or may have engaged in conduct that does or may reflect negatively on or diminish the impact of Land Bank Programs.

10. **Notices.** Any notice required or permitted to be given by any party upon the other (except for any notice given pursuant to Minnesota Statutes § 559.21 or § 559.217) in accordance with this Agreement shall be given if it is delivered personally to the individuals designated for the party below, or it is sent by United States mail, return receipt requested, postage prepaid, or it is transmitted by telefacsimile, or it is deposited with a nationally recognized, reputable overnight courier, properly addressed as follows:

If to Land Bank: Program Manager – Community Lending
Land Bank Twin Cities, Inc.
2515 Wabash Avenue, Suite 150
Saint Paul, MN 55114

If to Borrower: _____

 Attn: _____

Notices shall be deemed effective on the earlier of the date of receipt or the date of deposit as aforesaid; provided, however, that if notice is given by deposit, then the time for response to any notice by the other party shall commence to run one business day after any such deposit. Any party may change its address for the service of notice by giving written notice of such change to the other party, in any manner above specified, three days prior to the effective date of such change.

The terms of this Agreement shall control over any conflicting terms in any referenced agreement or document, or any Land Bank Program agreement with the Borrower.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

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LAND BANK SIGNATURE PAGE FOR COMMUNITY LENDING BORROWER AGREEMENT

LAND BANK TWIN CITIES, INC.,
a Minnesota nonprofit corporation

By: _____

Name: _____

Its: _____

BORROWER SIGNATURE PAGE FOR COMMUNITY LENDING BORROWER AGREEMENT

By: _____

Name: _____

Its: _____

EXHIBIT A
CONSTRUCTION STANDARDS WORKSHEET

See attached Single Family – Intended Methods Worksheet
2022 MN Overlay to the 2020 Enterprise Green Communities Criteria

EXHIBIT B
HOME BUYER INCOME QUALIFICATION WORKSHEET

See attached Home Buyer Income Qualification Worksheet

EXHIBIT C
COMMUNITY EMPLOYMENT REPORT

See attached Community Employment Report